

AN ORDINANCE BY

FINANCE/EXECUTIVE COMMITTEE

07-0-0185

AN ORDINANCE PROVIDING FOR (1) THE SALE OF \$8,000,000 CITY OF ATLANTA VARIOUS PURPOSE GENERAL OBLIGATION BONDS, SERIES 2007A (THE "BONDS"); (2) THE REDEMPTION OF THE BONDS PRIOR TO MATURITY UPON CERTAIN TERMS AND CONDITIONS; (3) THE EXECUTION AND DELIVERY OF THE BONDS; (4) THE FORM OF THE BONDS; (5) THE LEVY OF A CONTINUING DIRECT ANNUAL AD VALOREM TAX WITHOUT LIMIT AS TO RATE OR AMOUNT TO PAY THE BONDS AND THE INTEREST THEREON WHEN DUE AND PAYABLE; (6) THE CREATION AND MAINTENANCE OF A PROJECT FUND AND A BOND FUND; (7) THE ACCEPTANCE OF THE BEST RESPONSIBLE BID RESULTING IN THE LOWEST TRUE INTEREST COST FOR THE BONDS AND THE DELIVERY OF THE BONDS; (8) THE APPROVAL OF AN OFFICIAL STATEMENT WITH RESPECT TO THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF; (9) THE EXECUTION OF A CERTIFICATE PERTAINING TO THE USE OF THE PROCEEDS DERIVED FROM THE SALE OF THE BONDS; (10) THE UNDERTAKING OF A CONTINUING DISCLOSURE COMMITMENT IN COMPLIANCE WITH S.E.C. RULE 15C2-12(B)(5) AND (11) FOR OTHER PURPOSES:

WHEREAS, under the authority of the Constitution of the State of Georgia, as amended, particularly by amendments (the "Constitutional Amendments") that were ratified at the General Election of November 5, 1968 and proclaimed by the Governor of Georgia on December 13, 1968 (1968 Ga. Laws p. 1582 and 1968 Ga. Laws p. 1586), the Council (the "Council") of the City of Atlanta adopted, on December 4, 2006, an ordinance approved by the Mayor on December 13, 2006 (the "Initial Ordinance"), which authorized the issuance by the City of Atlanta (the "City") of \$8,000,000 in aggregate principal amount of general obligation bonds (the "Bonds") for the purposes specified in the Initial Ordinance;

WHEREAS, the Initial Ordinance contained the following language:

"This ordinance shall become effective immediately upon its adoption and approval and any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this ordinance shall be, and the same are hereby, repealed. If there should be filed with the Municipal Clerk within 30 days after the public meeting of the Council at which this ordinance is adopted, a petition for referendum containing the signatures of not less than 5% of the

registered voters of the City, and such fact shall be determined by the Municipal Clerk as provided in the Constitutional Amendments, this ordinance shall have no further force and effect from the time of such determination, and the Council shall then determine whether to forego the issuance of the bonds herein authorized or to proceed with a referendum to decide the issue. If no such petition for referendum is filed within the period of time set forth above, this ordinance shall continue of full force and effect as from the time of its adoption;" and

WHEREAS, the Council, after investigation and discussion with the Board of Education of the City and other interested parties, has determined that the City should at the present time sell all of such Bonds; and

WHEREAS, the Chief Financial Officer of the City advertised for bids to be received on February [5], 2007 for the general obligation bonds for various purposes to be designated "City of Atlanta Various Purpose General Obligation Bonds, Series 2007A", to be issued in the aggregate principal amount of \$8,000,000, in the denomination of \$5,000 each or integral multiples thereof, to be dated [February 1], 2007, to bear interest at a rate or rates designated by the successful bidder not to exceed 6.0% per annum, payable [June 1], 2007, and semiannually thereafter on the first days of [December] and [June] in each year, and the principal to mature on the first day of [December] in each year as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2007	\$ _____	2017	\$ _____
2008	_____	2018	_____
2009	_____	2019	_____
2010	_____	2020	_____
2011	_____	2021	_____
2012	_____	2022	_____
2013	_____	2023	_____
2014	_____	2024	_____
2015	_____	2025	_____
2016	_____	2026	_____

WHEREAS, pursuant to a Notice of Sale with respect to the Bonds, duly published (the "Official Notice of Sale") providing for the receiving of electronic bids for the purchase of said bonds on [February 5], 2007, the City has received electronic bids for the purchase of the Bonds; and

WHEREAS, the responsible bid resulting in the lowest true interest cost to the City was submitted by _____ (the "Successful Bidder"), a true copy of said bid being attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, after due consideration it is deemed advisable and in the best interest of the City that the Bonds be sold to the Successful Bidder, it being determined that the Successful Bidder is a responsible bidder and has complied with the terms of the Official Notice of Sale; and

WHEREAS, the rates of interest submitted by the Successful Bidder do not exceed the maximum rate of interest for any year over the life of the Bonds as set forth in the Initial Ordinance; and

WHEREAS, as a result of sale of the Bonds to the Successful Bidder, the Bonds shall bear interest from the date thereof at the rates per annum hereinafter set forth, all interest payable commencing _____, _____, and semiannually thereafter on the first day of [December 1] and [June 1] in each year; and

WHEREAS, in order to issue and deliver the Bonds, it is necessary to adopt a form of bond for each respective series of Bonds, to provide for the execution of such Bonds, to name a paying agent and a bond registrar with respect to the Bonds, and to levy a continuing direct annual ad valorem tax without limit as to rate or amount on all taxable property within the corporate limits of the City, as the same now exist and may be hereafter changed, sufficient to pay the principal of redemption premium, if any, and interest on the Bonds as the same come due, to provide for continuing disclosure as required by Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and to provide for other matters in connection with such Bonds; and

WHEREAS, _____, Atlanta, Georgia (the "Bank") will act as Paying Agent and as Bond Registrar for the Bonds and perform various functions with respect to the Bonds, including, but not limited to, the authentication of the Bonds by the manual signature of a duly authorized officer of the Bank, as Bond Registrar, the registration, transfer, exchange and related mechanical and clerical functions, as well as the preparation, signing and issuance of checks or drafts in payment of the principal of and interest on the Bonds when due and payable; and

WHEREAS, the Official Notice of Sale stipulates that a true copy of the text of the approving legal opinions of Co-Bond Counsel, Alston & Bird LLP, Atlanta, Georgia, and Molden Holley Fergusson Thompson & Heard, Atlanta, Georgia, to be rendered on the date of delivery of and payment for the Bonds, will be provided to the purchasers of the Bonds; and

WHEREAS, it is deemed both necessary and desirable that the Council of the City should at this time provide for the creation and maintenance of a Project Fund and a Bond Fund as hereinafter provided;

NOW, THEREFORE, in order to provide for the fixing of the rates of interest on and the sale of the Bonds, the execution and delivery thereof, the form of the respective

series of Bonds, the execution and delivery of a continuing disclosure undertaking, the levy of a continuing direct annual ad valorem tax for the payment thereof, the creation and maintenance of a Project Fund and a Bond Fund, the acceptance of the best responsible bid to purchase the Bonds, the approval of an Official Statement with respect thereto, the determination of the terms on which the Bonds shall be subject to redemption prior to maturity, and for certain other matters with respect to the issuance, sale and delivery of the Bonds,

THE COUNCIL OF THE CITY OF ATLANTA HEREBY ORDAINS as follows:

Section 1. Certain Definitions

“Beneficial Owner” shall mean the owner of the Bonds registered in book-entry form on the books of the DTC Participants, in accordance with DTC rules, regulations and procedure.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

Section 2. Terms of the Bonds

(a) Terms of the Bonds:

The \$8,000,000 aggregate principal amount of City of Atlanta Various Purpose General Obligation Bonds, Series 2007A, shall be dated [February 1], 2007, shall be numbered R-1 and upward or in some other convenient manner, shall bear interest from such date at the annual rates, and principal of the Bonds shall mature and be paid on [December] 1, in the year and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Annual Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Annual Interest Rate</u>
2007	\$ _____	_____ %	2017	\$ _____	_____ %
2008	_____	_____	2018	_____	_____
2009	_____	_____	2019	_____	_____
2010	_____	_____	2020	_____	_____
2011	_____	_____	2021	_____	_____
2012	_____	_____	2022	_____	_____
2013	_____	_____	2023	_____	_____
2014	_____	_____	2024	_____	_____
2015	_____	_____	2025	_____	_____
2016	_____	_____	2026	_____	_____

and all interest on the Bonds shall be payable commencing _____, _____, and semiannually thereafter on the first day of [December] and [June] in each of the years set forth above. The principal amount of the Bonds shall be payable at maturity, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender thereof at the principal corporate trust office of _____, Atlanta, Georgia, Paying Agent and Bond Registrar, and payments of interest on the Bonds shall be made by check or draft payable to the registered owner at the close of business on the fifteenth (15th) day of the calendar month next preceding each such December and June as shown on the bond register of the City kept by the Bond Registrar. Such payments of interest shall be mailed to the registered owner at the address shown on the bond registration book. Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America.

The Bonds maturing on [December 1], _____, and thereafter shall be subject to redemption prior to maturity at the option of the City, on or after [December 1], _____, in whole or in part on any time, from any monies available therefor, at par, plus accrued interest to the redemption date.

If the Bonds are redeemed in part, then any Bonds so called for redemption shall be called in such order of maturity as is selected and specified by the City and by lot within a maturity if less than all of the Bonds of a single maturity are to be redeemed.

The Paying Agent shall furnish the City on or before the forty-fifth (45th) day preceding the redemption date, if such option is exercised, with its certificate setting forth the Bonds that have been selected for redemption either in whole or in part on such date.

Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the registration book maintained

by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Notice having been given in the manner and under the conditions hereinabove provided, the Bonds so designated for redemption or portion of the Bonds so designated for partial redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price hereinabove specified and, unless a default shall have occurred in the payment of the Bonds so designated for redemption or the portion of the Bonds so designated for partial redemption, interest on the principal amount of the Bonds so designated for redemption shall cease to accrue after the redemption date.

All official notices of redemption shall be dated, shall contain the complete official name of the bond issue and the series designation, and shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) the interest rate and maturity date of the respective series of Bonds being redeemed;
- (4) the date on which notice of redemption will be published;
- (5) if less than all the outstanding Bonds are to be redeemed, the Bond numbers and, where part of the Bonds evidenced by one Bond certificate are being redeemed, the respective principal amounts of such series of Bonds to be redeemed;
- (6) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date; and
- (7) the place where such Bonds are to be surrendered for payment of the redemption price (which place of payment shall be the principal corporate trust office of the Paying Agent) and the name, address, and telephone number of a person or persons at the Paying Agent who may be contacted with respect to the redemption.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the respective series of Bonds or portions of Bonds so to be redeemed shall on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such respective series of Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such

respective series of Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as provided herein. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same series and maturity in the amount of the unpaid principal. All Bonds that have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar as set out below:

(1) Each further notice of redemption shall be sent at least 35 days before the redemption date by legible facsimile transmission, registered or certified mail, or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(2) Each such further notice shall be published one time in *The Bond Buyer* of New York, New York or, if *The Bond Buyer* ceases to be published or if such publication is impractical or unlikely to reach a substantial number of the owners of the Bonds, in some other financial newspaper or journal that regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue, maturity and series, the Bonds being redeemed with the proceeds of such check or other transfer.

Not less than 60 days after the redemption date, the Bond Registrar shall send a second copy of the official notice of redemption to the registered owner of any Bond or Bonds to be redeemed if, by such date, such registered owner has not surrendered any such Bond for redemption. Such notice shall be sent in the same manner as the original official notice of redemption.

Any defect in any notice of redemption shall not affect the validity of proceedings for redemption of the Bonds.

The Bonds designated for redemption as described above shall be payable at the redemption prices specified above, and interest will cease to accrue on the principal amount of such Bonds so called for redemption from and after the date of redemption if moneys for payment of the redemption price are being held by the Paying Agent and are available therefor.

Bonds for the payment or redemption of which sufficient monies or sufficient qualified permitted investments shall have been deposited with the Paying Agent (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer outstanding under this Ordinance; provided, however, that if such Bonds are to be redeemed prior to maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Paying Agent shall have been made for the giving thereof. Qualified permitted investments consist only of direct obligations of the United States or obligations unconditionally guaranteed by the United States and shall be considered sufficient for purposes of this Section only if such investments are not redeemable prior to maturity at the option of the issuer thereof and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums, if any, when due on the Bonds without adversely affecting the exclusion from gross income of the interest on any Bonds under the Internal Revenue Code of 1986, as amended.

Section 3. Execution of the Bonds.

The Bonds shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Municipal Clerk and the official seal of the City or a facsimile thereof shall be impressed or imprinted on each of the Bonds, and the Bonds shall be authenticated by the manual signature of a duly authorized officer of the Bond Registrar. The validation certificate to be printed on each Bond shall be executed by use of the manual or facsimile signature of the Clerk of the Superior Court of Fulton County and the official seal of said court or a facsimile thereof shall be impressed or imprinted thereon. In case any officer whose signature shall appear on any Bond shall cease to be such officer before delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Before any Bond is issued it shall be authenticated by the manual signature of the Bond Registrar (designated below). No Bond shall be valid or obligatory for any purpose unless and until it has been authenticated by the Bond Registrar. Such authentication by the Bond Registrar shall be conclusive evidence that the only evidence that the Bond so authenticated has been duly issued and that the registered owner thereof is entitled to the benefits thereof. Anything herein notwithstanding, the Chief Financial Officer of the City is hereby authorized to execute the Bonds in the absence, unavailability, disability or illness of the Mayor.

Section 4. Form of Bonds.

The Bonds, the certificate of validation, the certificate of authentication and the form of assignment shall be in substantially the following forms, with such variations, omissions and insertions as are required to complete each Bond properly:

[BOND FORM BEGINS ON FOLLOWING PAGE]

(FORM OF BOND)

No. R-

\$

**UNITED STATES OF AMERICA
STATE OF GEORGIA**

**CITY OF ATLANTA
VARIOUS PURPOSE GENERAL OBLIGATION BOND
SERIES 2007A**

BOND DATE: MATURITY DATE: INTEREST RATE: CUSIP:

[February 1], 2007

Registered Owner: Cede & Co.

Principal Amount: _____

FOR VALUE RECEIVED, the City of Atlanta (the "City"), a municipal corporation of the State of Georgia, hereby promises to pay to the Registered Owner above, or registered assigns, on the maturity date specified above unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the principal corporate trust office of _____, Atlanta, Georgia, Paying Agent and Bond Registrar, the principal amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate per annum specified above on the Interest Payment Dates (as defined below) to the registered owner hereof on the Record Date (as defined below) immediately preceding each such Interest Payment Date by check mailed to the registered owner at the address of such registered owner as it appears on the bond register maintained by the Bond Registrar, until payment of said principal sum.

The first payment of interest hereon shall be due on the Interest Payment Date next succeeding the date of authentication hereof unless this bond is authenticated on an Interest Payment Date, in which case the first payment of interest hereon shall be due on the next succeeding Interest Payment Date, or unless this bond is authenticated after a Record Date but before the next succeeding Interest Payment Date, in which case the first payment of interest hereon shall be due on the second succeeding Interest Payment Date. The interest paid on an Interest Payment Date shall be computed from the date through which interest was last paid on this bond, or if interest has not previously been paid on this bond, from the dated date of this bond. As used herein, the term "Interest Payment Date" shall mean _____, _____, and each December and June thereafter during the term hereof. The term "Record Date" shall mean the fifteenth (15th) day of the month next preceding each Interest Payment Date.

This Bond is one of a duly authorized bond, of like tenor except as to numbers, interest rates, and dates of maturity, aggregating \$8,000,000 in principal amount. The ordinance adopted by the Council of the City of Atlanta on December 4, 2006 (the "Ordinance"), which authorizes the issuance of such Bonds, specifies that there will be set aside from the proceeds of this issue the following amounts which will be expended only for the respective purposes set forth after each such amount:

\$4,000,000 for the purpose of providing funds to pay, or to be applied or contributed toward, the cost of renovating, improving, adding to, and equipping existing school buildings and facilities, of acquiring, constructing, and equipping new school buildings and facilities, of acquiring property, both real and personal, necessary or desirable for use in connection therewith, and of paying expenses incident thereto.

\$4,000,000 for the purpose of providing funds to pay, or to be applied or contributed toward, the cost of acquiring a site or sites and constructing and equipping thereon new municipal buildings and related facilities, of renovating, improving, adding to, and equipping existing municipal buildings and facilities, of acquiring property, both real and personal, necessary or desirable for use in connection therewith, and of paying expenses incident thereto.

The Bonds are issuable only in the form of fully registered bonds without coupons. This Bond may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity and interest rate and of any authorized denomination in the manner and subject to the conditions provided in the Ordinance.

This Bond is transferable by the registered owner hereof at the principal office of the Bond Registrar in the manner and subject to the conditions provided in the Ordinance. Upon any such transfer of ownership, the Bond Registrar shall cause to be authenticated and delivered a new Bond registered in the name of the transferee in the same aggregate principal amount, maturity, and interest rate as the Bond surrendered for transfer and in any authorized denomination. For every exchange or transfer of a Bond, the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, but no other charge may be made to the owner for any exchange or transfer of the Bonds. The City, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of this Bond as the absolute owner for the purpose of receiving the payment of principal, redemption premium, if any, and interest and for all other purposes whatsoever.

The Bonds maturing on [December 1], _____, and thereafter shall be subject to redemption prior to maturity, at the option of the City, on or after [December 1], _____, in whole or in part on any date, from any monies available therefor, at par, plus accrued interest to the redemption date. If the Bonds are redeemed in part, then any Bonds so called for redemption shall be called in such order of maturity as is selected and specified by the City and by lot within a maturity if less than all of the Bonds of a single maturity are to be redeemed.

Notice of redemption of the Bonds, unless waived, is to be given by the Bond Registrar by mailing an official redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the bond or bonds to be redeemed at the address shown on the registration book maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the bond or portions of bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds shall cease to bear interest. Any defect in any notice of redemption shall not affect the validity of proceedings for the redemption of the Bonds.

It is certified and recited that all acts, conditions and things required by the Constitution or laws of the State of Georgia to exist, happen or be performed precedent to and in the issuance of this Bond exist, have been performed, and have happened in due and legal form and manner as required by law, that provision has been made for the collection of a direct annual ad valorem tax sufficient to pay the principal of and interest on this Bond, in accordance with its terms, and that the total indebtedness of the City, including this Bond, does not exceed any limitation prescribed by the Constitution or laws of the State of Georgia.

IN WITNESS WHEREOF, the City of Atlanta has caused this Bond to be executed by the manual or facsimile signature of its Mayor or Chief Financial Officer, and its corporate seal to be impressed, imprinted or otherwise reproduced hereon and attested by the manual signature of its Municipal Clerk, as of the date of this bond.

CITY OF ATLANTA

(SEAL)

By: _____
Mayor or Chief Financial Officer

Attest:

Municipal Clerk

VALIDATION CERTIFICATE

STATE OF GEORGIA)
)
FULTON COUNTY)

I, the undersigned Clerk of the Superior Court of Fulton County, Georgia, do hereby certify that this bond was validated and confirmed by judgment of the Superior Court of said county, rendered on in Civil Action No. _____ on the ____ day of January, 2007, that no intervention or objection was filed thereto, and that no appeal has been taken therefrom.

WITNESS my manual signature and the seal of the Superior Court of Fulton County, Georgia.

CLERK, SUPERIOR COURT,
FULTON COUNTY, GEORGIA

[SEAL]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the series designated therein and issued under the provisions of the within mentioned Ordinance.

Bond Registrar

By: _____
Authorized Officer

Date of Authentication: _____

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN - as joint tenants with right of survivorship and not as tenants
in common and not as community property
UNIF TRANS
MIN ACT - _____ Custodian _____
(Custodian) (Minor)
under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may be used although not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, _____,
hereby sells, assigns, and transfers unto _____ (Tax
Identification or Social Security No. _____) the within Bond and all
rights thereunder and hereby irrevocably constitutes and appoints _____
attorney to transfer the within Bond on the books kept for registration
thereof, with full power of substitution in the premises.

Signature

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution (such as banks, stockbrokers, savings and loan associations, and credit unions) with membership in an approved Signature Guarantee Medallion Program pursuant to S.E.C. Rule 17Ad-15.

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

[END OF BOND FORM]

Section 5. Authentication of Bonds.

Only those Bonds that shall have endorsed thereon a certificate of authentication substantially in the form hereinbefore set forth, duly executed by the manual signature of an authorized officer of the Bond Registrar shall be valid and entitled to any benefit or security and such certificate upon any of the Bonds when duly executed shall be conclusive evidence that such Bond has been duly authenticated, registered and delivered. It shall not be necessary that the same officer of the Bond Registrar sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the payment of the principal amount, interest and premium, if any, shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including redemption premium, if any, and the interest thereon to the extent of the sums so paid.

Section 6. Bond Registrar.

The Bond Registrar shall keep the bond register of the City for the registration of the Bonds and for the registration of transfers of the Bonds as herein provided. The transfer of any Bond shall be registered upon the bond register upon the surrender and presentation of the Bond to the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or attorney duly authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond or Bonds so surrendered, a new Bond or Bonds of the appropriate series registered in the name of the transferee, of any denomination or denominations authorized by this ordinance, and in an aggregate principal amount equal to the aggregate principal amount of the Bonds so surrendered and of the same maturity. Any Bond, upon presentation and surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or duly authorized attorney, in such form as may be satisfactory to the Bond Registrar, may be exchanged, at the option of the registered owner, for an aggregate principal amount of Bonds of the same maturity equal to the principal amount of the Bonds so surrendered and of any authorized denomination or denominations. The Bond Registrar may make a charge for every exchange or registration of transfer of the Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to the owner for the privilege of exchanging or registering the transfer of Bonds under this ordinance. The City shall make all necessary and proper provisions for the transfer and exchange of the Bonds by the Bond Registrar and the City shall deliver or cause to be delivered to the Bond Registrar a sufficient quantity of blank Bonds duly executed on behalf of the City, together with the certificate of validation pertaining thereto duly executed by manual signature of the Clerk of the Superior Court of Fulton County as herein provided in order that the Bond Registrar shall at all times be able to register and authenticate the Bonds at the earliest practicable time in accordance with the provisions of this ordinance. All Bonds

surrendered in any such exchange or registration of transfer shall be forthwith cancelled by the Bond Registrar and a record thereof duly entered in the permanent records pertaining to such series of Bonds maintained by the Bond Registrar.

Section 7. Book-Entry Bonds.

(a) The definitive Bonds shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof (which form of bond registration is sometimes referred to as "book-entry form"). Upon initial issuance of the Bonds as authorized in this Section 7, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as otherwise provided in this Section 7, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. With respect to Bonds registered in the name of Cede & Co., as nominee of the DTC, the City and the Paying Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner, as shown in the bond register of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner as shown in the bond register, of any amount with respect to principal of, premium, if any, or interest on the Bonds.

(b) Notwithstanding any other provision of this ordinance to the contrary, if Bonds are issued in book-entry form, the City and the Paying Agent shall be entitled to treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on any Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering any transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective registered owner, as shown in the bond register as provided in this ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the bond register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this ordinance. Upon delivery by DTC to the Bond Registrar or written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and subject to the provisions of this ordinance with respect to interest checks or drafts being mailed to the registered owner of Bonds, the word "Cede & Co." in this ordinance shall refer to such new nominee of DTC.

(c) In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in a representation letter of the City to DTC pursuant to applicable DTC rules and regulations, or that it is in the best interest of the Beneficial Owners of the Bonds that they are able to obtain certificated Bonds, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17 (a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository, and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the bond register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this ordinance.

(d) Notwithstanding any other provision of this ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in a representation letter of the City to DTC required pursuant to DTC rules and regulations.

Section 8. Levy of Tax.

In satisfaction of the requirement set forth in Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia, for the purpose of providing funds for payment of the Bonds, there shall be and is hereby levied a continuing direct annual ad valorem tax upon all the property subject to taxation within the corporate limits of the City now existing and within any extension of said corporate limits, sufficient to provide funds required to pay the principal of and interest on the Bonds, as such principal and interest shall become due and payable, as provided in Exhibit "A" hereto, which said funds are hereby irrevocably pledged and appropriated to the payment of the principal of, redemption premium, if any, and interest on the Bonds as such Bonds mature.

Provision to meet the requirements of this ordinance shall in due time and manner be annually provided for in the appropriations bill, so that the Bonds, including both principal and interest, shall be fully paid when and as due and payable.

Section 9. Creation of Project Fund and Accounts Therein.

A special fund is hereby created and designated "City of Atlanta 2007A Various Purpose Project Fund" (hereinafter called the "Project Fund"), which shall include a Various Purpose Account;

There shall be deposited in the Project Fund with _____, which is hereby appointed the depository therefor, the proceeds from the sale of the Bonds (other than the accrued interest thereon). The net proceeds of the sale of the Bonds for school and other purposes shall be credited to the Various Purpose Account.

All monies in the Project Fund shall be held by the depository, or any successor depository subsequently appointed by the City, as custodian. Moneys in the Various Purpose Account of the Project Fund shall be used solely for the purposes for which the Bonds were issued. The Chief Financial Officer or her designee is authorized to direct said custodian to maintain records with respect to receipts and disbursements of funds from the Project Fund and the Various Purpose Account therein and investment of funds on deposit therein from time to time.

Section 10. Creation of Bond Funds.

(a) In satisfaction of the requirement set forth in Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia, a special fund is hereby created and designated "City of Atlanta Bond Fund" (hereinafter called the "Bond Fund") to the credit of which there shall be deposited with _____, which is hereby appointed the depository therefor, the following: (i) any accrued interest received in connection with the sale of the Bonds and (ii) receipts, if any, from the direct annual tax referred to in Section 8 above. All moneys in the Bond Fund shall be held by such depository, or any successor depository subsequently appointed by the City, as custodian. Moneys in the Bond Fund shall be used solely to pay the principal of, premium, if any, and interest on the Bonds as the same become due.

Section 11. Investment of Proceeds of Bonds.

The City covenants that it will not, subsequent to the date of issuance and delivery of the Bonds, intentionally use any portion of the proceeds of the Bonds to acquire "higher yielding investments" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), except as may be otherwise permitted by Section 148 thereof, and that it will comply with and take such actions, as may be required thereby, including making such payments as may be required by Section 148(f) of the Code, and that no investment or use will be made of the proceeds of the Bonds herein authorized which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, as such provisions may be applicable to the Bonds at the time of such investment or use. The City further covenants that it will invest moneys in the Project Fund only in such investments as are authorized by the laws of the State of Georgia.

Section 12. Authorization of Rebate Calculation and Accounts.

The Chief Financial Officer, or any official authorized thereby for such purpose, is hereby authorized (a) to retain a certified public accountant or financial analyst, or any firm thereof or any financial institution experienced in making the arbitrage rebate

calculations required pursuant to Section 148 of the Code, to make such calculations, (b) to establish such funds or accounts, and (c) to make or direct such investment as may be desired to assist in or facilitate compliance with Section 148 of the Code.

The City may, without the consent of the owners of the Bonds, make such additions, deletions or modifications to this ordinance as may be required or permitted so as to ensure compliance with Section 148 of the Code or otherwise as may be required to ensure that interest on the Bonds is not includable within the gross income of the holders thereof for federal income tax purposes.

Section 13. Official Statement.

The Preliminary Official Statement relating to the Bonds, a copy of which shall be included with this ordinance in the minutes of proceedings of the City, is hereby approved and adopted in the form presented to the Council. The actions of the financial advisors to the City and the actions of the officers of the City, in publishing the Notice of Sale and in circulating the Preliminary Official Statement, are hereby ratified and approved. The Mayor is hereby authorized, empowered and directed to prepare a final Official Statement by making such insertions, completions or alterations to the Preliminary Official as may be necessary or desirable to conform to the terms of the Bonds as set forth in the bid of the Successful Bidder or as may otherwise be necessary or desirable and to execute and deliver such Official Statement to the Successful Bidder. The Successful Bidder is hereby authorized to circulate and use said Official Statement in making a public offering of the Bonds.

Section 14. Ratification of Notice of Sale.

All actions taken by the Chief Financial Officer, the representatives of the City's Office of Contract Compliance or such other officers or authorized agents of the City in advertising for bids and providing for compliance with the Equal Business Opportunity ("EBO") and Equal Employment Opportunity provisions of the City of Atlanta Code of Ordinances which actions were in connection with advertising for bids and acceptance of the Bids and offering the Bonds for sale are hereby ratified and approved.

Section 15. Acceptance of Bid and Delivery of Bonds.

The responsible bid submitted by the Successful Bidder for the Bonds attached hereto as Exhibit "B", is hereby accepted, and all other bids are hereby rejected, and the actions of the Mayor of the City, for and on behalf of the City, are hereby ratified and approved relating to her earlier notification to all bidders of the acceptance and rejection of such bids by the City and the return to the unsuccessful bidders of their good faith checks.

There are hereby authorized to be executed, authenticated and delivered to the Successful Bidder in the City of Atlanta, or such other place as may be agreed upon by the Successful Bidder and the City, upon receipt of the purchase price, plus accrued

interest to the date of delivery, \$8,000,000 principal amount of the City of Atlanta Various Purpose General Obligation Bonds, Series 2007A, for the purposes, in the amounts and denominations, numbered, maturing and bearing interest at the rates, as set forth above.

Delivery of the Bonds to the Successful Bidder is subject to (1) the conduct of a public hearing by the City to authorize the issuance of the Bonds (which was held December 4, 2006), (2) the passage of a thirty-day period after such hearing during which five percent (5%) of the registered voters of the City may petition for a referendum to be held on the issuance of the Bonds and (3) the validation of the Bonds by the Superior Court of Fulton County (to occur prior to delivery of the Bonds).

Section 16. Certificate as to Use of Proceeds, Continuing Disclosure and Other Documents.

The Mayor or the Chief Financial Officer of the City of Atlanta, or both of them, are hereby authorized and directed to execute an Arbitrage Certificate and Agreement, based upon facts, estimates and circumstances, as to the reasonable expectations regarding the amount, expenditure and use of the proceeds of the Bonds, as well as such other certifications, reports and documents as may be necessary or desirable in connection with the issuance and delivery of the Bonds.

The City hereby covenants, for the benefit of the holders and beneficial owners of the Bonds, to provide certain financial information and operating data relating to the City within one hundred eighty days following the end of the City's fiscal year (currently June 30), commencing with the fiscal year ending June 30, 2007, all in compliance with Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The City has undertaken to comply with the Rule pursuant to its Continuing Disclosure Undertaking, a form of which is attached hereto as Exhibit "C" and made a part hereof and by this Ordinance is hereby authorized and approved.

Section 17. Validation.

The Clerk of the Superior Court of Fulton County is hereby authorized and requested to execute the Validation Certificate on each of the Bonds and Bonds as provided by this Ordinance and by law.

Section 18. Information Reporting Pursuant to Section 149(e) of the Code.

Any officer of the City is hereby authorized to sign and file or cause to be filed I.R.S. 8038-G, "Information Return for Governmental Bond Issues," as required by Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code") for each of the Bonds.

Section 19. No Personal Liability.

No stipulation, obligation or agreement herein contained or contained in this Ordinance shall be deemed to be a stipulation, obligation or agreement of any official, officer, director, agent or employee of the City in his individual capacity, and no such official, officer, director, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 20. General Authority.

From and after the execution and delivery of the documents hereinabove authorized, the proper officials, officers, directors, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Ordinance and the documents as authorized herein and are further authorized to take any and all further actions and execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Bonds and in conformity with the purposes and intents of this Ordinance.

The Mayor and the Municipal Clerk are hereby authorized and directed to prepare and furnish to the purchasers of the Bonds, when the Bonds are issued, certified copies of all the proceedings and records of the City relating to the Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 21. Severability of Invalid Provision.

If any one or more of the agreements or provisions herein contained shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Bonds authorized hereunder.

Section 22. Conflicting Ordinances or Resolutions.

Any and all ordinances and resolutions, or parts of ordinances and resolutions, in conflict with this Ordinance are hereby repealed.

Section 23. Execution of Signature by Others.

If at the time of issuance and delivery of the Bonds, the Mayor is absent from the City or is otherwise unavailable for execution of certificates or any other documents or instruments required or necessary to effectuate the transactions contemplated by this

Ordinance, the Chief Financial Officer of the City is hereby authorized to execute said certificates, documents or instruments.

Section 24. Repealing Clause.

All ordinances or parts thereof of the City in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 25. Ordinance Constitutes a Contract.

The provisions, terms, and conditions of this Ordinance, including the covenants set forth in this Section, constitute a contract by and between the City and the owners of the Bonds, and such contract is a legal and validly binding obligation of the City and is made in part for inducing investors to buy the Bonds. The provisions of the United States and Georgia Constitutions prohibiting the passage of laws impairing the obligations of contracts protect the rights and security of the owners of the Bonds. After the issuance of the Bonds, this Ordinance may not be repealed, amended, or modified in any respect which would adversely affect the rights and interests of the owners of the Bonds, nor shall the City pass any ordinance or resolution in any way adversely affecting the rights of such owners, except as specifically provided for herein, so long as any of the Bonds, or the interest thereon, shall remain outstanding.

Because this Ordinance constitutes a contract binding the City, it is proper and appropriate for the Mayor of the City to execute the same on behalf of the City and for the Municipal Clerk or a Deputy Municipal Clerk to authenticate the same.

Section 26. Effective Date.

This Ordinance shall take effect immediately upon its adoption and approval by the Mayor.

(SEAL)

CITY OF ATLANTA

By: _____
Mayor

Attest:

Municipal Clerk

Approved as to form:

City Attorney

Exhibit “A”

Debt Service Schedule for Bonds

Exhibit “B”

Bid of Successful Bidder

Exhibit "C"

Form of Continuing Disclosure Undertaking

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of February ____, 2007, is executed and delivered by the **CITY OF ATLANTA**, a municipal corporation duly organized and existing under the Constitution and laws of the State of Georgia (the “Issuer”) and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds listed on the attached Exhibit A, with the 9-digit CUSIP number relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means Janice D. Davis or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“National Repository” means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories. Currently, the following are National Repositories:

1. DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
(201) 346-0701 (phone)
(201) 947-0107 (fax)
Email: nrmsir@dpcdata.com
2. FT Interactive Data
Attn: Disclosure
100 Williams Street, 15th Floor
New York, New York 10038
(212) 771-6999 (phone)
(212) 771-7390 (fax for secondary market information)
(212) 771-7391 (fax for primary market information)
Email: NRMSIR@FTID.com
3. Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
(609) 279-3225 (phone)
(609) 279-5962 (fax)
Email: Munis@Bloomberg.com

4. Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, New York 10041
(212) 438-4568 (phone)
(212) 438-3975 (fax)
Email: nrmsir_repository@sandp.com

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

"Repository" means the MSRB, each National Repository and the State Depository (if any).

"State Depository" means any public or private depository or entity designated by the State of Georgia as a state information depository (if any) for the purpose of the Rule. The list of state information depositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Depository. Currently, the following depositories are listed by the Securities and Exchange Commission as available State Depositories:

1. Municipal Advisory Council of Michigan
1445 First National Building
660 Woodward Ave., Ste. 1445
Detroit, Michigan 48226-3517
(313) 963-0420 (phone)
(313) 963-0943 (fax)
2. Municipal Advisory Council of Texas
600 W. Eighth Street
PO Box 2177
Austin, Texas 78701
(512) 476-6947 (phone)
(512) 476-6403 (fax)
3. Ohio Municipal Advisory Council
9321 Ravenna Road, Unit K
Twinsburg, Ohio 44087-2445
(330) 963-7444 (phone)
(800) 969-OMAC (6622) (phone)
(330) 963-7553 (fax)

"Voluntary Report" means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each National Repository and the State Depository (if any) not later than six months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2005. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

- (i) determine the name and address of each Repository each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) with each National Repository, and the State Depository, (if any);

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with each National Repository, and the State Depository (if any);
- (iv) upon receipt, promptly file the text of each disclosure to be made with each National Repository or the MSRB and the State Depository (if any) together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
 - 1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a)(1);
 - 2. “Non-Payment related defaults,” pursuant to Sections 4(c) and 4(a)(2);
 - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(3);
 - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(4);
 - 5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a)(5);
 - 6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a)(6);
 - 7. “Modifications to rights of securities holders,” pursuant to Sections 4(c) and 4(a)(7);
 - 8. “Bond calls,” pursuant to Sections 4(c) and 4(a)(8);
 - 9. “Defeasances,” pursuant to Sections 4(c) and 4(a)(9);
 - 10. “Release, substitution, or sale of property securing repayment of the securities,” pursuant to Sections 4(c) and 4(a)(10);
 - 11. “Ratings changes,” pursuant to Sections 4(c) and 4(a)(11);
 - 12. “Failure to provide annual financial information as required,” pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement;

13. "Other material event notice (specify)," pursuant to Section 7 of this Agreement, together with the summary description provided by the Disclosure Representative.

(v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain the Issuer's general purpose financial statements for the preceding fiscal year, which shall be prepared in accordance with generally accepted accounting principles, as in effect from time to time, and which shall be accompanied by an audit report, if available at the time of submission of the Annual Filing to each Repository pursuant to Section 2 hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(b) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 2 hereof and if such changes are material to the Issuer, a narrative explanation describing the impact of such changes on the Issuer; and

(c) information for the preceding fiscal year regarding the following categories of financial information and operating data of the Issuer: (A) the ten largest taxpayers of the Issuer, (B) the legal debt margin of the Issuer, (C) [revenues of the Issuer's school system by source], (D) the Issuer's tax revenues by source (cash basis), (E) the Issuer's general fund revenues and other financing sources (cash basis), (F) the Issuer's general fund expenditures and other financing uses by function (cash basis), (G) the millage rates of the Issuer, (H) the Issuer's assessed and actual value of taxable property, and (I) the property tax levies and collections of the Issuer.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bond holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
11. Rating changes on the Bonds;
12. Failure to provide annual financial information as required; and
13. Other material event notice.

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and (i) each National Repository, or (ii) the MSRB.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP number for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this

Disclosure Agreement. The Issuer may, upon thirty days' written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

TO THE EXTENT PERMISSIBLE UNDER APPLICABLE LAW, THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS

RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Georgia (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name:
Title:

CITY OF ATLANTA,
as Issuer

By: _____
Name:
Title:

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer CITY OF ATLANTA
Name of Bond Issue: \$8,000,000 Various Purpose General Obligation Bonds, Series 2007A
Date of Issuance: February __, 2007
Date of Official Statement: February __, 2007

\$8,000,000
CITY OF ATLANTA
VARIOUS PURPOSE GENERAL OBLIGATION BONDS,
SERIES 2007A

<u>MATURITY</u>	<u>CUSIP</u>
12/01/2007	_____
12/01/2008	_____
12/01/2009	_____
12/01/2010	_____
12/01/2011	_____
12/01/2012	_____
12/01/2013	_____
12/01/2014	_____
12/01/2015	_____
12/01/2016	_____
12/01/2017	_____
12/01/2018	_____
12/01/2019	_____
12/01/2020	_____
12/01/2021	_____
12/01/2022	_____
12/01/2023	_____
12/01/2024	_____
12/01/2025	_____
12/01/2026	_____
12/01/2027	_____

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer: CITY OF ATLANTA

Name of Bond Issue: \$8,000,000 Various Purpose General Obligation Bonds, Series 2007A

Date of Issuance: February ___, 2007

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of _____, 2007, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____

Digital Assurance Certification, L.L.C.,
as Disclosure Dissemination Agent, on behalf
of the Issuer

cc: Issuer

EXHIBIT C
MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

CITY OF ATLANTA

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the Bonds to which this material event notice relates:

Number of pages of attached material event notice: _____

Description of Material Events Notice (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-Payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to rights of securities holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the securities
11. ☐ Rating changes
12. ☐ Failure to provide annual financial information as required
13. ☐ Other material event notice (specify) _____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Employer: Digital Assurance Certification, L.L.C.

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

Please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-1930 or sent to CDINet, Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice.

CLERK'S CERTIFICATE

I, Rhonda Dauphin Johnson, the undersigned clerk of the City of Atlanta (the "City"), DO HEREBY CERTIFY the foregoing pages constitute a true and correct copy of the Ordinance adopted by the Mayor and Council of the City at an open public meeting duly and lawfully assembled in accordance with Official Code of Georgia Annotated Section 50-14-1, at which a quorum was present and acting throughout, in connection with the issuance of \$8,000,000 in aggregate principal amount of the City of Atlanta Various Purpose General Obligation Bonds, Series 2007A. The original of this Ordinance has been duly recorded in the minute book of the City, which is in my custody and control.

WITNESS MY HAND this ____th day of February, 2007.

(SEAL)

Rhonda Dauphin Johnson
Municipal Clerk